

FISCAL NOTE
Requested by Legislative Council
02/09/2021

Revised
Amendment to: HB 1212

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2019-2021 Biennium | | 2021-2023 Biennium | | 2023-2025 Biennium | |
|-----------------------|--------------------|-------------|--------------------|--------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | \$(19,780,781) | \$11,072,121 | \$14,823,093 | \$5,968,247 |
| Expenditures | | | \$(1,760,801) | \$2,726,321 | | \$5,968,247 |
| Appropriations | | | \$(1,760,801) | \$1,861,947 | | \$5,103,874 |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2019-2021 Biennium | 2021-2023 Biennium | 2023-2025 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | | \$15,639 | |
| Cities | | \$258,734 | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes the tax structure and creates a charitable gaming operation fund with appropriated admin and operating costs being paid from this fund. Also provides continuing appropriation for allocations to gambling disorder prevention and treatment fund and cities and counties.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The gaming tax percent increased but it is now based on the adjusted gross profits versus gross profits which leads to a general fund decrease. The gaming tax that is proposed will provide revenue to a special fund. The percent distributed to the cities and counties increased and is based on the amount deposited into the charitable gaming operating fund excluding the amount appropriated by the legislative assembly for admin and operation costs. Provides a transfer to the gambling disorder prevention and treatment fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The revenues are based on the new tax structure that is imposed on the total adjusted gross proceeds. Based on the Governors forecasted revenue of 29,500,000, this will cause a decrease in general fund of 29,500,000 and an increase in special fund of 20,791,341 for a total revenue decrease of 8,708,659. The bill provides a transfer to the general fund of the accumulated funds in the charitable gaming operating fund which exceeds the amount appropriated for admin and operating cost for the subsequent biennium. Since the first year will have two biennium's appropriation to be taken out of the accumulated funds, this will provide an estimated transfer from the special fund to the general fund of 9,719,219.

2023-25 biennium transfer to the general fund will be estimated at 14,823,093.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures of \$1,760,801 move from general fund to special fund. Payment to City/Co increased from 510,000 to 784,373 - 274,373 increase and gambling disorder prevention and treatment fund increased to 80,000.

The percent distributed to the cities and counties increased and is based on the amount deposited into the charitable gaming operating fund excluding the amount appropriated by the legislative assembly for admin and operation costs.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Creates charitable gaming operation fund with appropriated administrative and operating costs being paid from this fund. This creates a decrease in general fund and an increase in special fund. Also appropriated on a continuing basis for allocations to gambling disorder prevention and treatment fund and cities and counties. This will create a decrease in special fund of 510,000.

There will be a timing issue since there will be no revenue in the charitable gaming operating fund until after the first quarter but we will have expenditures.

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